

## Message Text

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ACTION IO-10

INFO OCT-01 EUR-12 NEA-10 ISO-00 AGR-10 AID-05 EB-07

COME-00 TRSE-00 SP-02 NSC-05 CIEP-02 SS-15 STR-04

OMB-01 CEA-01 CAB-05 CIAE-00 DODE-00 DOTE-00 INR-07

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R 070545Z JUN 75

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC 1458

INFO AMCONSUL DHAHRAN

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY VIENNA

AMCONSUL MONTREAL

USMISSION USUN NEW YORK

USMISSION GENEVA

UNCLAS SECTION 1 OF 2 JIDDA 4010

PARIS FOR UNESCO; ROME FOR FODAG; VIENNA FOR IAEA AND  
UNIDO; MONTREAL FOR ICAO

E.O. 11652: N/A

TAGS: EAID, UNDP

SUBJECT: CERP 0008 - EVALUATION OF UN ASSISTANCE PROGRAMS

SUMMARY: SAUDI ARABIA'S IMMENSE WEALTH RAISES A GRAVE  
QUESTION AS TO THE NEED FOR A UNDP PROGRAM IN SAUDI ARABIA,  
AND A NUMBER OF PROBLEMS PLAGUE THE UNDP PROJECTS IN THE  
KINGDOM. NEVERTHELESS, WE BELIEVE GROUNDS EXIST FOR A  
CONTINUED, IF SOMEWHAT REVISED, PROGRAM. THE EMBASSY GREATLY  
REGRETS THE DELAY IN SUBMISSION OF THE FOLLOWING, AND  
HOPES IT MAY STILL SERVE SOME CONSTRUCTIVE PURPOSE.  
END SUMMARY

1. THE UNDP PROGRAM IN SAUDI ARABIA FACES SEVERAL SERIOUS  
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OBSTACLES. THE CHIEF PROBLEM IS THE PARADOX OF OPERATING

A DEVELOPMENT "AID" PROGRAM IN A COUNTRY OF MASSIVE WEALTH. TECHNICAL "ASSISTANCE" IS MEANINGLESS IN A COUNTRY WHICH CAN PURCHASE ALL OF ITS NEEDS IN THE MARKET PLACE. THIS PROBLEM IS COMPOUNDED BY SAUDI DISDAIN FOR HANDOUTS. THE FACT THAT THE COUNTRY STILL NEEDS BASIC SERVICES WHICH THE UNDP COULD PROVIDE DOES NOT SEEM TO LESSEN THIS PARADOX. IF IT IS TO PERFORM AN EFFECTIVE ROLE IN THE KINGDOM, THE UNDP COULD MOVE IN SEVERAL DIRECTIONS:

A. COORDINATION OF REGIONAL ACTIVITIES IN AN EFFORT TO AVOID REPETITION AND WASTAGE OF RESOURCES. SO FAR NO ONE IS PERFORMING THIS SERVICE (AND IT IS UNLIKELY THAT THE ARAB GOVERNMENTS WILL ACCEPT ANY SUCH COORDINATING ROLE BY ANYBODY).

B. CONCENTRATION ON COMMUNITY DEVELOPMENT EFFORTS AT THE VERY BASIC, GRASS ROOTS LEVEL.

C. PROMOTE AND COORDINATE THE FLOW OF SAUDI ASSISTANCE TO OTHER NATIONS.

2. THE UNDP PROGRAM SHOULD NOT ATTEMPT TO COMPETE WITH THE PLETHORA OF COMMERCIAL FIRMS NOW ENTERING THE MARKET TO PROVIDE TECHNICAL ASSISTANCE. UNDP PROGRAMS ARE PROBABLY LESS EFFICIENT, AND IN ANY EVENT WOULD BE COMPETING WITH U.S. AND OTHER PRIVATE FIRMS. DESPITE THE APPARENT HIGH PRIORITY WHICH THE GOVERNMENT PLACES ON SUCH PROJECTS, UNDP RESOURCES SHOULD BE CONCENTRATED ON AREAS WHERE THEY WILL DO THE MOST GOOD; IN MANY CASES THIS WILL MEAN THE AREAS IN WHICH NO ONE ELSE IS OPERATING, WHICH ARE NOT COMMERCIALY ATTRACTIVE.

3. THE UNDP ROLE IN COORDINATING VARIOUS UN EFFORTS DEPENDS LARGELY ON THE PERSONALITIES INVOLVED. WHO/UNDP RELATIONS ARE NOW FAIRLY SMOOTH WITH THE ARRIVAL OF A NEW WHO DIRECTOR IN COUNTRY. THE RESIDENT REP IN RIYADH APPEARS TO BE AN EFFECTIVE COORDINATOR AND HANDLES LIAISON WITH THE SAG WELL. RELATIONS WITH THE PERIPHERAL AGENCIES SUCH AS IBRD ARE ALSO GOOD.

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INDEED THEY MUST BE SINCE THE LATTER MUST FREQUENTLY APPEAL TO THE UNDP FOR ADMINISTRATIVE SUPPORT AND LIAISON WITH THE SAG.

4. THE COORDINATING ROLE FOR EXTERNAL ASSISTANCE IS MEANINGLESS IN THE FACE OF EXISTING SAUDI REVENUES, AND IT IS UNLIKELY THAT THE SAG WILL ACCEPT ANY SORT OF UNDP ROLE IN COORDINATING VARIOUS BI-LATERAL TECHNICAL

COOPERATION AGREEMENTS. IN FACT, THE MECHANICS OF UNDP EXISTENCE IN SAUDI ARABIA MILITATE AGAINST AN EFFECTIVE ROLE IN COORDINATION. THE UNDP OPERATES DIRECTLY WITH AND UNDER THE AGENCY FOR TECHNICAL CO-OPERATION WHICH BECOMES BOTH CHANNEL TO THE SAG AND BOTTLENECK. NO DIRECT FORMAL RELATIONS EXIST BETWEEN UNDP AND CPO. SUCH A RELATIONSHIP WOULD BE MANDATORY IF AN EFFECTIVE COORDINATING ROLE WERE TO BE PLAYED BY UNDP.

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INFO OCT-01 EUR-12 NEA-10 ISO-00 AGR-10 AID-05 EB-07

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INFO AMCONSUL DHAHRAN

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AMEMBASSY VIENNA

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5. ALTHOUGH VARIOUS RUDIMENTARY EFFORTS ARE UNDERWAY TO CREATE REGIONAL BODIES FOR A VARIETY OF PURPOSES, THE UNDP ROLE IS NOT AT ALL CERTAIN. ECWA HAS, FOR EXAMPLE, MADE SEVERAL VISITS TO THE KINGDOM AND WOULD CLEARLY LIKE TO PLAY AN EXPANDED ROLE IF IT HAD THE WHEREWITHAL AND THE ABILITY. THIS WOULD MOST LIKELY RESULT IN DIRECT COMPETITION WITH THE UNDP.

6. EMBASSY RELATIONS WITH UNDP CONTINUE TO BE ON AN INFORMAL, VERY PERSONAL, BUT VERY WARM BASIS. WE EXCHANGE MATERIAL AND INFORMATION ON A REGULAR, THOUGH UNSCHEDULED BASIS. IT IS UNLIKELY THAT A FORMAL AGREEMENT FOR EXCHANGE OF SUMMARIES OF PROJECT PROPOSALS WOULD BE ACCEPTED BY THE CURRENT UNDP DIRECTOR, WHO HAS AN ESSENTIALLY MIDDLE EASTERN OUTLOOK ON SUCH MATTERS, AND THE SAG MIGHT ALSO FROWN ON SUCH CLOSE LINKS BETWEEN EMBASSY AND UNDP. THE INFORMAL BASIS IS SUFFICIENT AT UNCLASSIFIED

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THIS TIME, AND GIVEN OUR VIEW AS TO THE DECLINING IMPORTANCE OF UNDP, WE ARE NOT ANXIOUS TO ATTEMPT THE FORMAL APPROACH.

7. TRIPARTITE REVIEW OF UNDP PROJECTS HAS MET WITH VARYING SUCCESS. ANY REAL CRITICISM OF A PROJECT OR ITS IMPLEMENTATION IS TOO LIKELY TO RESULT IN A PERCEIVED THREAT TO THE SAG ACTION AGENCY OR THE UN AGENCY OR EMPLOYEE WORKING ON THE PROJECT. THE INGREDIENTS OF A SUCCESSFUL REVIEW ARE WELL-KNOWN TO UNDP PERSONNEL: 1) CAREFUL ADVANCE PREPARATION; 2) ESTABLISHMENT OF CLEAR OBJECTIVES; 3) PRELIMINARY COORDINATION AND CONSULTATION ON THE BI-PARTITE LEVEL; AND 4) AGREEMENT THAT THE TRIPARTITE REVIEW SHALL CONSTITUTE BINDING DECISION. THE LAST-MENTIONED IS THE MOST NECESSARY, AND ALSO THE MOST OFTEN MISSING ELEMENT OF TRIPARTITE REVIEWS IN SAUDI ARABIA.

8. UNDP SELF EVALUATION IS EXTREMELY EFFECTIVE, LARGELY BECAUSE THE ANNUAL PROGRAM REVIEW WAS DONE BY AN EXTREMELY EFFECTIVE OFFICER, THE NUMBER TWO UNDP MAN IN RIYADH. HIS ANALYSIS WAS HIGHLY PERCEPTIVE AND WELL DONE, CRITICAL YET CONSTRUCTIVE. UNFORTUNATELY, THE SAME INDIVIDUAL CAN SEE NO INDICATIONS THAT THE REVIEW HAS HAD ANY EFFECT EXCEPT TO OCCUPY A DUSTY NICHE IN SOME CORNER OF THE UN ARCHIVES. NO RESPONSE HAS BEEN FORTHCOMING FROM THE UN'S CUMBERSOME BUREAUCRACY. UTILIZED PROPERLY, THE CURRENT REVIEW WOULD PROVIDE THE BASIS FOR A REALISTIC REASSESSMENT OF UNDP ACTIVITY. EMBASSY DID HAVE A CHANCE TO COMMENT INFORMALLY ON UNDP PROGRAM BEFORE COMPLETION OF THE REVIEW.

9. UNDP PROJECTS FACE A NUMBER OF HANDICAPS. FIRST, IS THE RATHER FAR-REACHING UN REPUTATION FOR INEFFICIENCY. SECOND, MOST SAUDIS FEEL THAT THE UN IS ESSENTIALLY AN INEFFECTIVE ORGANIZATION (UN RESOLUTION 242 IS OFTEN CITED). THIRD IS THE GENERAL FAILURE OF THE SAG TO PRODUCE EFFECTIVE ENGLISH SPEAKING COUNTERPARTS WHO CAN ACTIVELY PARTICIPATE IN VARIOUS PROJECTS. FOURTH, UN

RECRUITMENT HAS BEEN HAPHAZARD AND TIME CONSUMING.  
FREQUENTLY UNDP PERSONNEL ARE POORLY CHOSEN, AND NOT  
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INFREQUENTLY, SIMPLY INCAPABLE OF FACING THE DAILY  
RIGOURS OF LIFE IN SAUDI ARABIA. FINALLY, THOSE OFT-  
MENTIONED RIGOURS HAVE AN EXTREMELY DETRIMENTAL EFFECT  
ON THE ACTIVITIES OF EVEN THE BEST UNDP PERSONNEL.  
DIFFICULTIES IN FINDING HOUSING, FURNITURE, OFFICE EQUIP-  
MENT, SECRETARIAL STAFF, MAINTENANCE, ETC. TAKE UP AN  
INORDINATE AMOUNT OF THE TIME OF ALL UNDP PERSONNEL.  
TIMELY PROJECT EXECUTION HAS CERTAINLY SUFFERED. EXAMPLES OF  
WEAK PROJECTS: REGIONAL AND NATIONAL PHYSICAL TRAINING (SLOWNESS  
OF RECRUITING); NATINAL FARM ENGINEERING TRAINING CENTER  
(BENEFITS MOSTLY WELL-TO-DO FARMERS, SMALLER FARMERS  
NOW PAY HIGHER RENT FOR HIRE SERVICES, WORKING RELATION-  
SHIPS OF UNDP/SAG PERSONNEL POOR); ROADS AND PORTS  
PROJECT (LIMITED ACCESS TO INFO, SHORTAGE OF TRANSLATORS,  
SECRETARIES, COUNTERPARTS).

10. DESPITE THESE PROBLEMS, THE OVERALL LEVEL OF UNDP  
PROJECT PERFORMANCE HAS IMPROVED OVER THE PAST YEAR.  
(TRI-PARTITE REVIEW HELPED.) MOST SUCCESSFUL PROJECTS  
(BY OUR DEFINITION, WHICH DIFFERS SOMEWHAT FROM THAT  
GIVEN IN THE ANNUAL PROGRAM REVIEW) ARE: AGRICULTURAL  
DEVELOPMENT (FAO AND WADI JIZAN PROJECTS); TRAINING IN  
CIVIL AVIATION, AND THE NATIONAL TRANSPORT SURVEY.  
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